

Top 10 Tips for Financing Your Company

1. Know your numbers inside and out – make them real. Not just your current financials but how much you need, where it will go, and why.
2. Get a “warm lead” into the venture fund (law firms, accounting firms or other entrepreneurs).
3. Determine whether the venture capitalist can go the distance – does the fund have the guts and resources for future rounds?
4. Run your company while raising capital – remember, revenue rules!
5. Educate yourself on current market deal terms *before* meeting with the venture capitalists. In other words, know what’s reasonable and what similarly-situated companies are seeing out there.
6. Shop around to multiple VCs, but don’t overshoot such that you look desperate.
7. Act like a pro: create a “virtual data room” for due diligence that can be securely accessed online.
8. Fully research potential investors *before* the meeting. Know what they’re investing in and their funding philosophy. See what boards they sit on.
9. Don’t short-change yourself: raise enough capital to last the company at least 18 months.
10. Funding is like dating: make sure you and the venture capitalist have good chemistry before proceeding.